

Gerrit M. Pronske
State Bar No. 16351640
Rakhee V. Patel
State Bar No. 00797213
Melanie P. Goolsby
State Bar No. 24059841
PRONSKE & PATEL, P.C.
2200 Ross Avenue, Suite 5350
Dallas, Texas 75201
(214) 658-6500 - Telephone
(214) 658-6509 – Telecopier
Email: gpronske@pronskepatel.com
Email: rpatel@pronskepatel.com
Email: mgoolsby@pronskepatel.com

PROPOSED COUNSEL FOR THE DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§
	§ CASE NO. 10-30986-HDH-11
MALUHIA EIGHT, LLC,	§
	§ CHAPTER 11
Debtor.	§

**DECLARATION OF PETER R. MORRIS IN SUPPORT OF OBJECTION
OF DEBTOR TO COMPASS BANK'S MOTION FOR RELIEF
FROM AUTOMATIC STAY**

PETER R. MORRIS, pursuant to 28 U.S.C. § 1746, states under penalty of perjury:

1. “I am over twenty-one (21) years of age. I have never been convicted of a crime of moral turpitude. I am fully competent to make this Declaration. I have personal knowledge of the facts set forth in this Declaration.

2. Maluhia Eight, LLC (the “Debtor”) is wholly-owned, through its affiliate, by PRM Realty Group, LLC. I own 90% of PRM Realty Group, LLC.

3. I make this Declaration in support of Debtor's Objection (the “Objection”) [Docket No. 21] to the Motion for Relief from Automatic Stay (the “Motion For Relief”) [Docket No. 17] filed by Compass Bank (“Compass”).

4. The Real Property¹ is raw, undeveloped land located in the Maluhia at Wailea resort condominium project and is estimated to be worth \$6,000,000 pursuant to an appraisal performed on behalf of the Debtor in 2008.

5. Maluhia at Wailea is an exclusive, master-planned, and gated waterfront community located in Maui, Hawaii and is the only oceanfront property in the world class Wailea Resort dedicated to single-family homes. Eleven of the fourteen lots have been sold, and in May 2008, a comparable but developed lot in the Maluhia at Wailea development was sold for \$8,950,000.

6. Because the Real Property is located in a highly-successful, unique, and exclusive development, the value is stable and will not depreciate in a consequential amount from the Petition Date.

7. Furthermore, because of the Real Property's tremendous development potential, the Real Property is necessary for the Debtor's effective reorganization.

8. I reviewed and attested to the truth of the bankruptcy schedules filed in the Debtor's case. Specifically, the schedules list the total amount of secured claims against the Real Property as \$6,055,456, \$2,435,000 of which represents notes secured by a second lien against the Real Property held by individual note holders as part of a private placement of debt securities. As such, Compass is fully secured. A true and correct copy of the Debtor's Schedule D is attached hereto as **Exhibits "A."**

9. The Property is absolutely necessary for the Debtor's reorganization.

¹ All terms not defined herein shall have the meaning ascribed to them in Pilot Pointe's Motion to Modify Stay.

10. I reserve the right to supplement this Declaration.”

I certify under penalty of perjury that the foregoing is true and correct.

Dated: March 29, 2010.

/s/ Peter R. Morris
Peter R. Morris